GOVERNMENT OF INDIA
COAL
LOK SABHA

UNSTARRED QUESTION NO:862
ANSWERED ON:03.12.2015
Auction of Coal Blocks
Trivedi Shri Dinesh

Will the Minister of COAL be pleased to state:

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(a) whether any coal blocks were auctioned for less than the notified price of coal;

(b) if so, the details thereof including the notified price and auctioned price of every such block; and

(c) the reasons for the divergence in the two prices, if any?

Answer

MINISTER OF STATE (I/C) FOR COAL, POWER, NEW & RENEWABLE ENERGY

(SHRI PIYUSH GOYAL)

(a) & (b): Reverse bidding methodology was adopted in the auction of coal mines earmarked for power sector under the provisions of Coal Mines (Special Provisions) Act, 2015 and the rules framed thereunder in order to ensure that there is no rise in power tariffs. Under the reverse bidding methodology, bidders have to submit bids below the Coal India Limited's notified price for corresponding grade of coal which is the ceiling price. The lowest bid submitted is taken as the fuel cost in determination of power tariff. In case, bid price reaches Rs. Zero in reverse bidding, the bidding changes to a forward one where bidders have to quote additional premium payable to the State Government where the mine is located, over and above the fixed reserve price of Rs. 100/- per tonne. The reverse bidding methodology for auction of coal mines for power sector has been designed keeping in view the interest of power consumers.

The Ceiling Price and the Closing bid in Rs./Tonne in respect of the coal blocks auctioned to the Power Sector is as under:-

S.No. Name of the Coal Mine Celing Price (Rs./mt.) Closing Price (Rs./mt.)
Initial Reverse and then Forward bidding (F) for Power Sector
1 Tokisud North 970 1110 (F)
2 Amelia North 1250 712 (F)
3 Talabira-I 610 478 (F)
4 Sarisatolli 700 470 (F)
5 Trans Damodar 1600 940 (F)
6 Mandakini 860 650 (F)
7 Utkal - C 660 770 (F)
8 Jitpur 660 302 (F)
9 Ganeshpur 700 704 (F)

(c): Does not arise in view of reply to part (a) & (b) above.

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